

**Connecticut Funeral Directors Association, Inc.**

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Written Testimony of  
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**Proposed Bill No. 6300, An Act Concerning Funeral Service Contracts**

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State of Connecticut - General Assembly - Committee on General Law

Good day, Senator Doyle, Rep. Taborsak, Senator Witkos, Rep. Rebimbas and the distinguished members of the General Law Committee, my name is Nicole Granados and I am a licensed funeral director and embalmer with practical experience for over 16 years, 12 of which have been dedicated to assisting individuals and their families plan their funerals in advance. As President of the Connecticut Funeral Directors Association (CFDA), I respectfully submit this testimony. CFDA represents 220 of 295 funeral homes in Connecticut.

With the matter of House Bill 6300, the Connecticut Funeral Directors Association supports this proposed bill which addresses the ongoing issue of a Medicaid applicant's ability to assign his or her ownership and beneficiary designation of their personal insurance policy to a funeral home of their choice.

Regarding Medicaid eligibility terms, should a funeral home own an individual's personal insurance policy? Likely, yes, with these considerations in mind:

1. Most people take out personal insurance policies to provide for the financial loss that may be felt by their survivors, particularly the use of insurance to cover funeral expenses. Medicaid applicants are finding out that their personal insurance policies, an asset which was likely maintained for years, can prevent them from being eligible for Medicaid benefits.
2. The "look back" period for assets of a Medicaid applicant is 5 years. Most individuals own their own personal insurance policies and would be prevented from assigning ownership to a trusted family member during that timeframe. That leaves the individual to make one of two choices: cancel/surrender their policy for cash value or, assign the policy to a funeral home, if possible.
3. Cash surrendering one's policy usually results in a significant financial loss when compared to what the death benefit of that same policy could have been. For example, a policyholder could have a \$10,000 face amount insurance policy with a cash surrender value of \$2,000. Cashing in the policy would result in a loss of \$8,000. In my experiences, I have seen most families take significant losses on their policies when their policies were cashed in. Unfortunately, very few policies have comparable cash and death benefit values.
4. Current statutes do not address the uniqueness of assigning one's policy to a funeral home. This "grey area" causes differing interpretations for procedures within the Dept. of Social Services, who reviews/approves Medicaid applications. CFDA is of the mind that if it is acceptable for one Medicaid applicant living in one part of the state to assign his or her insurance policy, that same acceptance should be extended to any other Medicaid applicant in the State of Connecticut.

I ask you to consider these reasons for your constituents and all the people who are and may be faced with this financial dilemma during the Medicaid/Title XIX process. Thank you for this opportunity and I welcome any questions that you may have.